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OFFICE OF THE SECRETARY OF STATE

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Linda McCulloch  
Secretary of State

## **SOS Information Management System (SIMS)**

*The SIMS system will join the office's business, financial and image processing together under one roof.*

### **Why is the new system needed?**

The Secretary of State's Office is currently running on 23 different computer systems - many of which are very old (the Corporate Filing system was developed in 1978), and most of which do not communicate with each other. This means that work is often duplicated and that data entry is not uniform among systems. In addition, there are many different programming languages and hardware types to maintain, and maintenance/operation costs are increasing every year as the hardware becomes more antiquated.

- Systems up to 30 years old.
- Runs on 1978 mainframe.
- Costly maintenance.
- Only one company can maintain the system.
- High risk of failure.

Most urgently, since only one remaining vendor is available to service the majority of these antiquated systems, there is a high risk that many of these systems may fail - and the lien system is very important in these economic times.

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### **What will the new system do for SOS?**

SIMS will give the SOS employees one way to do the work that comes in the door. All requests/orders/filings will go through the same steps, including scanning and financial calculations. Paper will no longer have to be moved between people. The system will be able to apply a good number of the business rules automatically, so documents are processed faster.

- Meet customer needs of Montana's business community.
- Standard entry.
- Less paper.
- One technology platform.

The technology staff will only have to support one system. Hardware will be modern and set up so that it can grow over time without large unexpected costs. The new system will be also internet based, so staff will not require any special programs on their machines to run it. Since there will only be one system for the whole office, staff will be able to move into new positions (or just cover for workmates) without having to learn a completely new system.

The new system will also be good for SOS customers, integrating that use of email and fax to send and receive documents. Since the data will be in one place, a search will return information about all the interaction a person or business has had with the Office. In addition, customers have flexible payment options – instead of one check for each filing.

**Montana businesses are eager for these types of modernization improvements.**

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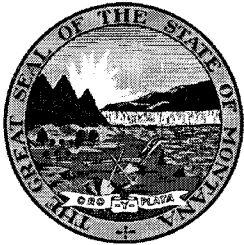
### **Why does this new system cost so much?**

Businesses today rely on IT systems to meet the expectations and demands of their customers. Montana businesses have been asking for modern services, and the current, antiquated SOS systems just cannot deliver. The SIMS system will not only be required to replace the old systems, but must perform more work, in less time, while providing exponentially more information and communication than the systems it is replacing.

Although it is costly to replace all of these systems at once, the integration will provide vast business, data and performance returns on the investment.

- System is designed specifically for the Montana Secretary of State.
- New software must comply with all current SOS procedures and Montana law.
- Minimum Two-Year Development Timeline.

The new system is being designed specifically for the Montana secretary of State's office, and will take the place of 23 different systems and even more manual processes. A team of technology specialists will work for roughly two years to create the software and set up the system for the Montana Secretary of State's office. The number of people who will work to create the system imposes the largest cost for this system. Additional staff will be working to make sure the system meets the processing needs of the State – both in time and accuracy.



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## Possible Effects of a Computer System Failure in SOS

### Business Services

#### **If the current Business Services computer systems were to fail:**

- Businesses would **NOT** be able to register in the state or file required documents.
- Lending organizations would **NOT** be able to submit UCC filings or verify collateral to complete loans.
- Grain elevators and livestock yards would **NOT** receive a listing of current EFS liens needed to complete livestock and agriculture sales.

#### ***If the Corporations' Mainframe computer shut down:***

- The Secretary of State's office would **NOT** be able to process the filing needs and requests of any registered business operating in Montana.
- The Secretary of State's office would **NOT** be able to notify businesses of any unfiled forms that are required to be on record with the State of Montana.
  - Businesses that do not file with the Secretary of State could accidentally be involuntarily dissolved if the business was unaware that they had not met their filing requirements.
- The public would **NOT** be able to access accurate public information about a registered business operating in Montana.
- Banks would **NOT** be able to verify the existence or standing of a business when considering loan options for that business.

#### ***If the UCC (Uniform Commercial Code) system shut down:***

- Banks would not be able to verify if loan collateral was already subject to a security interest. As a result, financial institutions might be hesitant to provide loans. Or if inaccurate information is inevitably provided due to faulty & antiquated state technology, a financial institution may unknowingly make risky loans assuming that the collateral has been properly verified.

#### ***If the Farm Bill/EFS (Effective Finances Statement) system shut down:***

- Grain elevators and livestock yards across Montana would **NOT** receive a farm bill master list to verify whether a lien from a financial institution exists against the livestock or agricultural product being sold.
  - The result could be that grain elevators and livestock yards would be less willing to pay producers for their products.